

Message Text

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SUBJECT: LIP IN THE NEWS AGAIN

1. LIP, WHICH FROM A BRAND NAME OF FRENCH WATCHES BECAME THE SYMBOL OF WORKER RESISTANCE TO BANKRUPTCY PROCEEDINGS AND CLOSURE OF COMPANIES, IS ONCE AGAIN BACK IN THE HEADLINES. THE 900 WORKERS WHICH SINCE 13 MAY HAVE BEEN OCCUPYING THE PLANT IN ANOTHER ATTEMPT TO FORESTALL LIQUIDATION REMOVED FROM THE PREMISES THE ENTIRE STOCK OF FINISHED WATCHES AND HID THEM AWAY AS A SAFEGUARD AGAINST THE SALE OF THE LIP NAME TO A SWISS OR OTHER FOREIGN COMPANY. SOME 100 THOUSAND WATCHES WORTH 20 MILLION FRANCS (\$4.2 MILLION) ARE INVOLVED.

2. THIS IS NOT THE FIRST TIME THAT THE LIP WORKERS, ACTING UNDER THE LEADERSHIP OF THE CFDT WHICH IS THE MAJORITY UNION, HAVE APPROPRIATED FINISHED WATCHES.

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IN CONTRAST TO THE PREVIOUS EXPERIENCE IN 1973 AND 74

WHEN THE WATCHES WERE SOLD BY THE UNION IN ORDER TO MEET THE PAY ROLL, THIS TIME THE CFDT MAINTAINS THAT THE WATCHES WILL NOT BE SOLD "FOR THE TIME BEING" AND WILL BE HELD AS A BARGAINING POINT TO PREVENT THE SALE OF LIP ABROAD. "WE CAN DISCOURAGE THE PURCHASER BY THE THREAT OF FLOODING THE MARKET WITH LIP WATCHES," DECLARED A CFDT SPOKESMAN.

3. THE OBVIOUS PURPOSE OF THE ENTIRE OPERATION IS TO PUT PRESSURE ON THE GOVERNMENT TO PROVIDE NEW FINANCING TO KEEP THE COMPANY AFLOAT. WE DOUBT VERY MUCH, HOWEVER, THAT THE GOVERNMENT IS PREPARED TO EXTEND ANY FURTHER CREDITS TO A COMPANY WHICH HAS YET TO PROVE ITS VIABILITY IN THE FACE OF UNION RESISTANCE TO ANY LAYOFFS. AN INDICATION OF THE GOVERNMENT'S DISINTEREST IN THE MATTER IS THE PROMPTNESS WITH WHICH A POLICE INVESTIGATION WAS ORDERED WITH THE VIEW TO LOCATING THE WATCHES AND PINPOINTING RESPONSIBILITY FOR THE ACTION.

4. AN INTERESTING ASPECT OF THIS NEW LIP EPISODE IS THE MANNER IN WHICH THE COMMUNIST DAILY L'HUMANITE HAS REPORTED IT. FIRST, THE TITLE OF THE SHORT ARTICLE ABOUT IT IDENTIFIED THE CFDT AS RESPONSIBLE FOR THE ACTION. SECOND, L'HUMANITE WENT OUT OF ITS WAY TO DESCRIBE THE COMMANDO-TYPE OPERATION MOUNTED BY THE CFDT TO REMOVE THE WATCHES (CUTTING TELEPHONE LINES, ISOLATING OFFICIALS, MOVING IN THE DARKNESS OF NIGHT, ETC.).

5. CGT AND PC HAVE BEEN VERY UNCOMFORTABLE WITH THE LIP AFFAIR FROM ITS VERY BEGINNING, PARTLY BECAUSE IT PUT CFDT IN THE LIMELIGHT BUT MORE IMPORTANT BECAUSE CGT OBJECTED TO THE GRASS ROOTS ACTION ENCOURAGED BY THE CFDT LEADERSHIP. FURTHERMORE CGT TOOK A MORE REALISTIC POINT OF VIEW IN RECOGNIZING THAT THE LIP COMPANY WAS IN SERIOUS FINANCIAL TROUBLE AND COULD NOT BE SALVAGED WITHOUT DRASTIC REDUCTION IN PERSONNEL.

6. COMMENT: SEASONAL SHORTAGE OF NEWS WILL PROBABLY UNCLASSIFIED

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KEEP LIP ON THE FRONT PAGES, BUT THIS IS NOT LIKELY TO REVIVE LIP THEREBY CONFIRMING PRIME MINISTER MESSMER'S DIAGNOSIS IN 1974 (WHICH EARNED HIM MUCH ABUSE) THAT LIP WAS FINISHED. WE DOUBT ALSO THAT THE NEW PUBLICITY AND THE CAUSE THEREOF WILL ACCRUE ANY PARTICULAR CREDIT OR GLORY TO THE CFDT. IN FACT IF JUSTICE IS ALLOWED TO TAKE ITS COURSE SOME CFDT PEOPLE MIGHT FIND THEMSELVES IN HOT

WATER.
GAMMON

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